

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. M-100, SUB 148  
DOCKET NO. E-22, SUB 560

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. M-100, SUB 148	)	
	)	
In the Matter of	)	
The Federal Tax Cuts and Jobs Act	)	ORDER DENYING REQUEST TO
	)	DISCONTINUE QUARTERLY
DOCKET NO. E-22, SUB 560	)	REPORTING REQUIREMENT
	)	
In the Matter of	)	
Dominion Energy North Carolina Filings to	)	
Reflect The Federal Tax Cuts and Jobs Act	)	

BY THE COMMISSION: On October 5, 2018, in Docket No. M-100, Sub 148, the Commission issued an Order Addressing the Impacts of The Federal Tax Cuts and Jobs Act on Public Utilities (the October 5, 2018 Order). The October 5, 2018 Order directed certain utilities, including Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (DENC), to “adjust their base rates to reflect the reduction in the federal corporate income tax rate to 21% for taxable years beginning after December 31, 2017, as outlined in the Tax Act.” The Commission further requested that certain utilities, including DENC, “file proposals . . . to adjust their rates to reflect the reduction in the federal corporate income tax rate to 21%” by no later than October 25, 2018 and that the Public Staff and other parties “file comments on the proposals by no later than Wednesday, November 14, 2018.” Finally, the Commission requested that the Public Staff work with DENC to determine the impact, if any, to DENC’s State Rider Excess Deferred Income Tax (EDIT) due to the Tax Act and to file a recommendation with the Commission on how the Commission should address the decrease in the federal corporate income tax rate on DENC’s State Rider EDIT.

The October 5, 2018 Order also required certain utilities, including DENC, to file quarterly reports on deferred accounts associated with the Tax Act once new rates and charges were approved. The reports were to detail the status of the provisional revenues collected since January 1, 2018 and the EDIT deferred account.

On October 25, 2018, DENC filed its proposal as required in the October 5, 2018 Order.

On March 4, 2019, the Commission issued its Order Approving Proposal and Requiring Filing of Revised Tariffs and Customer Notice wherein the Commission

approved DENC's proposal and required DENC to file a clean copy of the revised tariffs that had been reviewed and determined to be accurate by the Public Staff and to notify customers of the rate change through either a bill insert or a bill notation.

On April 30, 2019, DENC filed its Initial Quarterly Status Report and Request to Discontinue Quarterly Reporting. DENC stated that it was making its request to discontinue the quarterly reporting in light of the fact that: (1) the Company is currently refunding the deferred provisionally collected revenues through a Commission-approved rebilling procedure; and (2) the Company has also proposed to address the federal EDIT associated with the Tax Act through adjustment to the Company's base rates in the Company's now-pending general rate case in Docket No. E-22, Sub 562.

DENC further noted that in order to implement the Commission-approved rebilling procedure for the provisionally collected revenues, the Company's adjusted rates and charges were made effective on and after January 1, 2018. DENC stated that the updated rates and charges were entered into the Company's billing system and effective on March 14, 2019, and the Company is now implementing the rebilling procedure for the period January 1, 2018 through March 13, 2019. DENC maintained that the resulting credits, including interest, are in the process of being applied to accounts as they bill. DENC stated that the rebilling procedure will be completed for all North Carolina jurisdictional customers during the second quarter of 2019.

On June 19, 2019, the Public Staff filed a letter concerning DENC's April 30, 2019 filing. The Public Staff stated that it had reviewed the filing and does not support DENC's request to discontinue its quarterly reports filed under the October 5, 2018 Order. The Public Staff noted that the October 5, 2018 Order directed that the balance of the EDIT deferred account would be returned to customers in either the Company's next general rate case or in a proceeding to commence on October 5, 2021, if a general rate case has not been filed by the Company. The Public Staff asserted that although DENC has filed a general rate case<sup>1</sup>, the Commission has not issued an Order adopting the final disposition of the Company's EDIT deferred account. The Public Staff stated that it anticipates additional reporting requirements concerning the EDIT deferred account balance would be addressed in the final order of the Commission addressing the final disposition of the EDIT deferred account.

The Public Staff further stated that it does not support DENC's request to discontinue reports on the balance of the provisional revenues collected by DENC until the Company has provided sufficient information to establish that the balance of the provisional revenues deferred account is zero. The Public Staff maintained that if the Company is able to show that the balance of the provisional revenues deferred account is zero in its next quarterly filing, then the Public Staff would likely support a request discontinuing the reporting requirements concerning the provisional revenues deferred account.

---

<sup>1</sup> See March 29, 2019 application for a general rate case filed by DENC in Docket No. E-22, Sub 562.

After reviewing DENC's April 30, 2019 Initial Quarterly Status Report and Request to Discontinue Quarterly Reporting and the Public Staff's June 19, 2019 letter, the Commission is in agreement with the Public Staff that it is premature to discontinue the reporting requirement at this particular point in time. Therefore, the Commission denies DENC's request to discontinue filing the quarterly reporting required in the October 5, 2018 Order.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 17<sup>th</sup> day of July, 2019.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "Janice H. Fulmore", is written over a faint, circular embossed seal of the North Carolina Utilities Commission.

Janice H. Fulmore, Deputy Clerk